

Board of Directors

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DIV. OBLIGACIONES DE RENTA
2008 FEB 27 AM 11:30



GOVERNMENT
DEVELOPMENT
BANK FOR
PUERTO RICO

COMMONWEALTH OF PUERTO RICO

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CERTIFICATE AS TO RESOLUTION

I, OLGA L. ORTIZ, Secretary of the Board of Directors of Government Development Bank for Puerto Rico, DO HEREBY CERTIFY, that attached hereto is a true and correct copy of Resolution 8804 which was duly adopted by the Board of Directors of this Bank at a meeting duly called and held on February 20, 2008, at which a quorum was present and acting throughout. Said Resolution has not been in any way amended, annulled, rescinded or revoked, and the same is still in full force and effect.

RESOLUTION 8804

AUTHORIZING A LINE OF CREDIT OF \$140,000,000 TO THE PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY TO PAY COSTS INCURRED OR TO BE INCURRED IN THE ACQUISITION, CONSTRUCTION, EQUIPPING, INSTALLATION AND DEVELOPMENT OF THE AUTHORITY'S FACILITIES AND AUTHORIZING RELATED ACTION IN CONNECTION THEREWITH.

WHEREAS, the Puerto Rico Highway and Transportation Authority (the "Authority") has requested to the Government Development Bank for Puerto Rico (the "Bank") financing in an aggregate amount of \$276,077,000 to pay costs incurred or to be incurred in the acquisition, construction, equipping, installation and development of certain additional improvements to the Authority's facilities included in its Construction Improvement Program for fiscal year 2008 (the "Project");

WHEREAS, the Authority proposed to repay this interim financing with the proceeds from the next bond to be made by the Authority;

WHEREAS, the Bank is willing to provide such financing, but in an amount not to exceed \$140,000,000 in accordance with the terms and conditions herein below set forth, which the Bank understands will be enough to cover the immediate and urgent need of funds of the Authority; and

Approved on February 26, 2008

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Government Development Bank for Puerto Rico:

1. Financing for the benefit of the Authority in an amount of \$140,000,000, which purpose is the financing of costs incurred or to be incurred in the acquisition, construction, equipping, installation and development of improvements to the facilities chargeable to the capital account of the Authority is hereby authorized (the "Loan"). Proceeds of the Loan will be used to pay such costs or to reimburse the Authority's Construction Fund, created and established under Resolution No. 68-18, adopted by the Authority on June 13, 1968, as amended, (the "1968 Resolution"), or the Authority's Construction Fund created and established under Resolution 98-06 adopted by the Authority on February 26, 1998, as amended (the "1998 Resolution") (collectively, the "Resolutions"), for the payment of such costs.
2. The principal amount of the Loan shall mature and be due and payable on June 30, 2009. Said principal amount shall be payable solely from proceeds of bonds to be issued by the Authority pursuant to the provisions of the respective sections of the Resolutions. The President of the Bank is hereby authorized to extend further, if necessary, the maturity date of the Loan from time to time, but in no event will the maturity of the Loan be extended beyond June 30, 2011.
3. The Loan shall bear interest until paid in full at a rate or rates per annum determined in accordance with the Loan Agreement, to be entered by and between the Bank and the Authority (the "Loan Agreement"). Interest shall be payable monthly in arrears not later than the tenth Banking Day (as defined in the Loan Agreement) following receipt from the Bank of the statement referred to in the next sentence of this paragraph, from any available moneys of the Authority. Each month the Bank shall furnish to the Authority a written statement showing the amount of interest due and payable by the Authority on the Loan for the preceding month. The Authority may prepay the Loan at any time without penalty or premium. The Loan shall be junior and subordinate to outstanding bonds of the Authority and shall be subject to certain other terms and conditions, to be included in the Loan Agreement.
4. The execution and delivery by the President, the Financing Executive Vice President, or any Vice President designated by them, of the Loan Agreement by and between the Bank and the Authority are hereby authorized. Upon the execution and delivery of the Loan Agreement, the Authority shall execute a note in the principal amount of the Loan.

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5. If there is no disbursement activity on this additional loan for a period of six months after its approval by the Board of Director of the Bank, the loan shall be cancelled automatically.
6. This Resolution is intended to be a declaration of official intent under U.S. Treasury Department Regulation Section 1.150-2.
7. The President, the Financing Executive Vice President or any Vice President of the Bank designated by them, are hereby authorized to take all actions necessary of them to carry out the provisions of this Resolution.

The provisions of this Resolution shall become effective immediately upon its adoption.

IN WITNESS WHEREOF I SET my hand and the corporate seal of Government

Development Bank for Puerto Rico, this 26th day of February, 2008.

(SEAL)


OLGA L. ORTIZ
SECRETARY